

Setting the Record Straight:

The Biden-Pelosi-Bernie Reconciliation Bill

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Myth #1: *The Budget Reconciliation bill will not raise taxes for lower- and middle-income Americans.*

Fact: The bill's tax increases, including on small businesses, will impact Americans at all income levels. While President Biden pledged not to increase taxes for those making less than \$400,000 a year, his reconciliation bill contains plenty of direct and back door middle class mandates and tax hikes. All while this bill provides perks and handouts to the wealthy.

- ✓ This bill raises taxes on 9% of individuals making \$0-\$50k and 22% of individuals making \$50k-\$100k. In addition, it will give the IRS an \$80 billion slush fund to hire 87,000 new IRS agents to investigate every account nationwide with over \$10,000 worth of transactions in a year.
- ✓ The increase of the SALT cap from \$10k a year to \$80k a year will give 2/3 of millionaires a net tax decrease under this bill.
- ✓ Increases inflation, which is a hidden tax on every hardworking American. The bill boosts government spending by \$1.7 trillion and the federal deficit by \$367 billion. This reckless deficit spending will drive prices even higher and further reduce the purchasing power of American wages.
- ✓ Creates a new tax on American-produced natural gas that will make it more expensive for families to heat their homes or use their stove and oven. It will also hurt domestic energy production, making us more reliant on foreign suppliers. Overall, it will cost the American economy up to \$9.1 billion and cost 90,000 Americans their jobs.
- ✓ Provides tax breaks for the wealthy to purchase luxury electric vehicles and subsidizes electric vehicle infrastructure buildouts. This is a transfer of wealth from rural areas and low- and middle-income New Yorkers in the 22nd District to wealthy urbanites!

Myth #2: *While it may be expensive, the Budget Reconciliation bill provides social assistance to those who need it most.*

Fact: Government programs help people most when they promote work, boost self-sufficiency, and support strong families and communities. This bill does the opposite by expanding programs that disincentivize labor force participation, expand the welfare state, and weaken the industrial engines that historically created tremendous prosperity for communities like those in our region.

- ✓ Adds new burdensome regulations to childcare providers that will raise costs even further, bringing the cost further out of reach for many families. In addition, it will prevent religious childcare providers and the underserved communities many of them serve from receiving grants to improve these childcare facilities.
- ✓ Delivers taxpayer subsidized healthcare and higher education to illegal immigrants.
- ✓ Gives taxpayer subsidized business loans to felons.
- ✓ Adds additional programs and liabilities to Medicare and Medicaid without addressing their long-term sustainability. This risks future access to these important programs for current beneficiaries and those nearing retirement.

Myth #3: *This bill addresses critical needs of the American economy, especially as we emerge from the COVID-19 pandemic.*

Fact: The last thing the American economy needs as we battle the Delta variant are new

government mandates, wasteful spending that sends inflation even higher, new onerous regulations, and programs that push American workers out of the labor force.

- ✓ Increases taxes on small businesses, making many subject to a new 3.8% tax on investment income. It also holds them subject to new burdensome IRS reporting rules on their transactions via platforms such as Venmo or PayPal.
- ✓ Repeals work requirements for government assistance programs, including the Child Tax Credit, further disincentivizing work and driving more Americans out of the labor force.
- ✓ Grants pardons and work authorization to millions of illegal immigrants, advancing them to the front of the line before the many thousands of individuals attempting to come to America legally. This will also drive down wages for lower-skilled American workers.

Myth #4: *The Budget Reconciliation bill may be over 2,400 pages, but it was crafted through a careful and iterative process that included feedback from a wide range of stakeholders.*

Fact: The Budget Reconciliation bill is highly partisan and lacks transparency. It was first published on the morning of Friday, September 24, just days before it was scheduled for a vote. At 2,400 pages long, Members of Congress were given little time to analyze the bill's complex programs, collect feedback from constituents, or consult with experts.

- ✓ The Committee process was much the same. In the Small Business Committee, where I serve, the portion of the reconciliation bill we marked up was introduced just hours before the Committee meeting and not a single bipartisan amendment was adopted.
- ✓ Similarly, Democrats remained adamantly opposed to serious dialogue to improve the bill, going as far as voting against bipartisan amendments they themselves cosponsored.
- ✓ Democrats in the Small Business Committee unanimously opposed my amendments to boost support for manufacturers and rural small businesses.
- ✓ Even Democrats have admitted that the bill was streamlined to meet a totally arbitrary and illegitimate partisan political deadline.